

19TH JUDICIAL DISTRICT COURT

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

JAMES J. DONELON,
COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA,

Plaintiff

VERSUS

STATE NATIONAL FIRE
INSURANCE COMPANY,
COLUMBUS UNDERWRITERS LLC,
and COLUMBUS HOLDINGS LLC,

Defendants

* NUMBER: 713,121

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* SECTION: 24

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JOINT MOTION TO AUTHORIZE THE LOUISIANA INSURANCE GUARANTY
ASSOCIATION TO ADMINISTER, FUND AND PAY CLAIMS

NOW INTO COURT, through undersigned counsel, come James J. Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator of State National Fire Insurance Company ("Rehabilitator"), and the Louisiana Insurance Guaranty Association ("LIGA"), who respectfully request an order to authorize LIGA to administer, fund and pay covered claims of the policyholders of State National Fire Insurance Company ("SNFIC") in accordance with the Louisiana Insurance Guaranty Association Law, La. R.S. 22:2051 *et seq.*

1.

Based upon a finding by the Commissioner that SNFIC is in such financial condition that its further transaction of business would be hazardous to policyholders, creditors or the public, on November 10, 2021, this Court issued an order placing SNFIC and related companies, Columbus Underwriters, LLC and Columbus Holdings, LLC into rehabilitation and appointing Commissioner Donelon as Rehabilitator of SNFIC, Billy J. Bostick as Receiver, and Arlene D.

policyholders due to the insolvency of an insurer, to provide financial assistance to member insurers under rehabilitation or liquidation, and to provide an association to assess the cost of such operations among insurers.” La. R.S. 22:2052.

3.

Pursuant to LIGA’s statutory obligations and rights with respect to insolvent insurers such as SNFIC, their policyholders, and claimants, SNFIC’s existing claims will become the statutory obligation of LIGA, to the extent that they constitute “covered claims” as defined by La. R.S. 22:2055(6) and subject to the provisions, credits, deductions, limitations and exclusions of the Louisiana Insurance Guaranty Association Law, La. R.S. 22:2051 *et seq.*

4.

LIGA is ready to fulfill its statutory obligations to administer, fund and pay the covered claims of SNFIC but cannot do so without an order from this Court. La. R.S. 22:2058(A)(1)(a) states that LIGA “shall be obliged to pay covered claims pursuant to an order as provided in R.S. 22:2008(C)[...]” La. R.S. 22:2008(C), in turn, provides that “[w]hen an order of rehabilitation is issued by the court, on joint motion by the receiver and the Louisiana Insurance Guaranty Association, the order may contain a provision allowing for the payment of claims by the Louisiana Insurance Guaranty Association as specified by the receiver in a subsequent motion for payment, prior to an order of liquidation.”

5.

Thus, SNFIC and LIGA submit this joint motion pursuant to La. R.S. 22:2008 to allow LIGA to administer, fund and pay the claims of SNFIC in accordance with the Louisiana Insurance Guaranty Association Law, La. R.S. 22:2051 *et seq.*, and other applicable Louisiana law.

WHEREFORE, the Rehabilitator and the Louisiana Insurance Guaranty Association pray that their joint motion be granted and that this Court order that the Louisiana Insurance Guaranty

Respectfully submitted,

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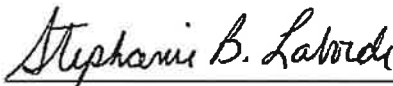
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DOCKET NO.: C-713121, SEC.: 24

NINETEENTH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

STATE NATIONAL FIRE INSURANCE
COMPANY, COLUMBUS UNDERWRITERS LLC,
and COLUMBUS HOLDINGS LLC

STATE OF LOUISIANA

ORDER

Considering the above and foregoing:

IT IS HEREBY ORDERED that the Ex Parte Petition for Intervention be **GRANTED** as prayed for and that the Louisiana Insurance Guaranty Association be permitted to intervene in the above captioned and numbered matter.

THUS DONE AND SIGNED on the 17 day of November, 2021, at Baton Rouge,
Louisiana.



HONORABLE DONALD R. JOHNSON
JUDGE, NINETEENTH JUDICIAL DISTRICT COURT